

Update on COVID-19 Benefits Changes: COBRA, FSAs, HRAs

Client Webinar Series

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ProBenefits

The benefit of trust.

This Session

- Update: Resources available
- Recent legal developments & how we are adapting in order to support your plans
- *Your questions*



Resources

- FAQs on *ProBenefits.com* for plan participants & employer/advisor partners
- Recent webinars for employers & advisors
- Educational & training materials available for leaves of absence, COBRA, & many other topics



Resources

- Easy account access for participants on mobile app
- Follow us on social media for news and helpful information for participants & partners



- *Our team:* Available to assist you every day



New Legislation & Guidance

- Families First Coronavirus Response Act (3/18)
- CARES Act (3/27)
- New DOL/IRS rule regarding federally mandated deadlines (5/4)
- IRS Notices 2020-01, **2020-29**, **2020-33** (5/12)



Change #1: Over-the-Counter Drugs

- OTC drugs or medications may be reimbursed tax-free by **FSA**s, **HSA**s, **HRA**s without prescription
 - *Repeal of ACA rule in effect since 2011*
 - *Important tax break for individuals & families*
 - *Update: debit cards*
 - *Update of plan SPDs for all FSAs & some HRAs*



Change #2: Extension of Claims/Appeals Deadlines

- Applies broadly to all ERISA & IRS plans
- Applies specifically to FSA & HRA plans
 - *Extension of Claim Runout Periods ending after 3/1/20*
 - *Standard: 90 days for FSAs; 90-180 days for HRAs*
 - *Does not impact date of service requirement*
 - *How we are handling administratively*



Change #3: Extension of COBRA Deadlines

- Technically applies to plan notices & responses by QBs
- ProBenefits will continue to send notices timely
- Deadlines delayed for QB to:
 - *Notify employer or plan of triggering event*
 - *Notify the employer or plan of determination of disability*
 - *Submit formal election to plan*
 - *Make first or ongoing premium payments*

Note: More details/training to come soon

Change #4: Other extensions

- HIPAA Special Enrollment periods
 - *2 specific scenarios for losses of coverage outside of group plan*
 - *Section 125 plans will mirror what law allows*
- Distribution of required notices, SPDs, SBCs by plan to participants



Change #5: Eligible Claim Dates for FSAs

- IRS Notice 2020-29 released yesterday
- Applies to Health FSA & Dep Care plan years or grace periods (where applicable) ending 1/1/20 or later
 - *Provides an extension of time to incur claims after the end of the plan year or grace period until 12/31/20*
 - *Plan amendments required but delayed*
 - *Impacts HSA eligibility for some participants*

Note: More details to come soon

Change #6: Mid-Year Election Changes for Pre-Tax Elections

- IRS Notice 2020-29 released yesterday
- Applicable for all of 2020 for all 125 plans
 - *Plans may allow range of election changes to pre-tax health premiums, Health FSA, Dep Care FSA*
 - *Applies through 12/31/20*
 - *Plan amendments required but delayed*

Note: More details to come!

Change #7: Increase in Max Carryover for Health FSAs

- IRS Notice 2020-33 released yesterday
- Applies to plan years beginning 1/1/20 or later
 - *\$500 carryover now indexed as 20% of IRS annual max; \$550 for 2020 plans*
 - *Plan amendments required but delayed*



ICYMI: HSA Bank Accounts

- Deadline to contribute to 2019 HSA bank accounts extended to 7/15/20
- Under transition rules, HSA eligibility not jeopardized by no-cost (or copays for) COVID-19 testing or telemedicine services received by account holders



Reminder: Mid-Year Deadlines

- **PCOR fee** deadline is 7/31/20 for self-funded health plans, including HRAs ending during the 2019 calendar year (*IRS Form 720*)
- **Form 5500s** for calendar plans due 7/31/20
 - Automatic 2 ½ month extension available if Form 5558 is filed with the IRS on or before the 7/31 deadline (extended deadline: 10/15/20)



ProBenefits

- Full focus on plan administration & compliance
- Admin for FSA, HRA, HSA, COBRA, POP, Transit
 - *Advanced integration with enrollment/data systems*
 - *Full customer service & compliance support*
- ERISA compliance: Form 5500 & Wrap SPD prep
- Benefits attorneys & experienced compliance team
 - *Substantial tools & training options available*

